

10 July 1957

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I. Events in USSR most dramatic in recent years.

- A. Collective dictatorship ended.**
- B. Khrushchev has clear cut control of party apparatus with no dangerous rival here -- only brake or eventual rival might be military leader such as Zhukov.**
- C. For first time, in 20 years, Central Committee has exercised real powers as against Presidium (Politburo).**
- D. Important divergence of views has been surfaced regarding domestic and satellite policy. (Decentralization of economic control, agricultural policy, policy regarding Yugoslavia and satellites.)**
- E. Majority of presidium now second-level figures with five eliminated and nine added. Zhukov and Mikoyan (latter probably now aspirant for power, most influential after Khrushchev.**
- F. I will discuss conclusions after dealing with "events."**

II. Events

- A. During Bulganin and Khrushchev visit to Finland which ended**

June 14, apparently resentment among members of presidium
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against Khrushchev's high-handed actions--particularly in
economic and agricultural fields--boiled up. It appears that
those present when Bulganin and Khrushchev returned to Moscow
(three other than B. & K. being out of town) had a majority
against him. Apparently there were several days of heated
debate. K. probably in minority, asked resign. K. demanded
call of Central Committee and ablt to achieve this,--possibly
with Zhukov's support--because technically he could not be
fired without Central Committee vote. Thus, Khrushchev, the
gambler, won first and decisive round.

B. Central Committee met June 22 and debated until June 29--255
full and candidate members--60 said to have spoken. Central
Committee largely packed with Khrushchev's proteges and
appointees. On one side, the rebels, Molotov, Malenkov,
Kaganovich, Shepilov, Maybo Pervukhin, etc. On other -
Khrushchev, Zhukov, Furtseva, Suslov, etc. Khrushchev had
the right to open the debate. Proceedings still unknown, but
one report alleges Molotov particularly attacked Khrushchev

Party Congress and called him "the grave-digger of Communism."

Kaganovich alleged to have said that Khrushchev had cut off
the branch on which we all sit.

C. Charges against rebels as latter repeated in resolution of
Central Committee.

1. They tried to change membership of presidium and secretariat
(i.e. to oust Khrushchev)
2. Opposed doing away with personality cult,--particularly
directed against Molotov.
3. Opposed rehabilitation of minority peoples deported by
Stalin during World War II.
4. Opposed reorganization of industrial management.
5. Opposed agricultural policy, designed to "overtake US, in
next few years, per capita, milk, butter, and meat."
6. On foreign policy: Opposed friendship with Yugoslavia;
Conclusion of Austrian Treaty; Normalization of relations
with Japan.
7. Opposed advisability of establishing personal contact

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between Soviet leaders and statements of other countries.

8. In general, attacked rebels as "shackled by old notions and methods."

D. From length of debate, assume issue in balance for some days.

Believe that Zhukov intervention--either in presidium or here--probably decisive and when switch came, all went with Khrushchev and Zhukov. Resolution adopted June 29 by unanimous vote; "with one abstention, in the person of Comrade Molotov." removed the rebels from their party posts. (magnanimously allowed to keep party membership).

E. Subsequently, Saburov and Pervukhin, also removed from the Presidium, though Pervukhin remains as a candidate member.

F. Bulgaria's role uncertain. Most reports put him initially in camp of rebels and reports from Prague give sorry ^{picture} ~~image~~ of his physical state--maybe next to go.

1. Possibility he might be replaced by Zhukov (who could then correspond directly with President Eisenhower).

2. Konev is likely successor in Defense Minister if this happens.

G. Probably several purges will lose party membership and

question of trial uncertain but popular feeling against them being roused by digging up crimes going back ten years or more.

1. Malovkov has been appointed director of a hydroelectric station in Vst Kamenogorsk in Central Siberia.

III. CONCLUSIONS

A. Khrushchev, the dictator, is a dangerous, impulsive and somewhat unbalanced man. May take dangerous initiatives though possibly subject Zhukov control where military ventures involved.

B. However, Khrushchev, a shrewd opportunist is committed by his statements to favor co-existence, differing roads to Socialism, reconciliation with Yugoslavia and increasing intercourse with other countries. May follow this road for a time unless pushed into corner by events, domestic or foreign.

C. Position regarding China probably unchanged but will court Yugoslavia. Future policy regarding European satellites - murky. Khrushchev and Zhukov were artisans of Hungarian repression; otherwise his pronouncements would seem to favor relaxation--but does he dare?

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D. Probably no change regarding disarmament but they will

need a startling accomplishment here.

E. Faces grave internal problems to which he is personally committed in field of industry and agriculture; serious failures here might end him.

F. The evolution started by Stalin's death goes on apace. For first time we have decisions reached after debate in a relatively large body even though hand-picked one (but hand-picked people don't always act as the pickers want).

G. The steam seems to have gone out of the fanatical, ideological Communism. Three main questions:

-can party careerists make highly organized industrial system work?

-if they fail can Khrushchev save himself with present and new grandiose schemes?

-Will a military dictatorship possibly follow--Zhukov?